United Nations DP/2009/22

Executive Board of the United Nations Development Programme and of the United Nations Population Fund

Distr.: General
6 May 2009

Original: English

Annual session 2009
26 May to 5 June 2009, New York
Item 9 of the provisional agenda
United Nations Office for Project Services

Annual report of the Executive Director*

Summary

The year 2008 was the second of the current three-year business strategy of the United Nations for Project Services (UNOPS). Progress was made on initiatives such as financial clean-up, improved controls, client confidence-building, and investment in staff. Milestones included an 'unqualified' audit for the previous biennium and resulting partnership agreements with the United Nations, the World Bank and the European Union, as well as the partial merger with UNDP/Inter-Agency Procurement Services Office (IAPSO).

In 2008 UNOPS delivered $1.06 billion through project implementation and spent $61.9 million administering it. The contribution to the operational reserve was $4.9 million, bringing the reserve to $30.06 million. Record business acquisition demonstrated clients' rising confidence in the ability of UNOPS to contribute effectively to their objectives and outcomes.

The present report provides an overview of how UNOPS contributes to the results of United Nations peacebuilding, humanitarian and development operations. The leading sectors (using Development Assistance Committee [DAC] definitions) of work performed by UNOPS during the year were: government and civil society; health; conflict prevention and resolution, peace and security; and general environmental protection.

Elements of a decision

The Executive Board may wish to (a) welcome the progress of UNOPS towards greater effectiveness and efficiency in its business practices; (b) take note of wide-ranging UNOPS contributions to the operational results of the United Nations, often in the most challenging of environments; and (c) take note of rising demand for UNOPS services, as demonstrated by its record business acquisition, and objective confirmation of its growing professionalism, as confirmed by positive survey trends and increased client satisfaction.

*The compilation of data required to provide the Executive Board with the most current data has delayed submission of the present report.

09-32894 (E) 220509

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Introduction

1. The Executive Director is pleased to inform the Executive Board of progress made in 2008 towards implementing the UNOPS business strategy, 2007-2009. As reported below in the management results framework, significant advances were made to generate income, boost productivity, standardise and refine business processes, and recruit and retain staff. And as cited in the Operational Results Framework, UNOPS contributed meaningfully to the results of United Nations peacebuilding, humanitarian and development work.

I. Management results framework

2. The UNOPS business strategy, 2007-2009, focuses on financial viability, client satisfaction, 'world-class' business practices and performance, and workforce competence and motivation. At the mid-point, in June 2008, UNOPS organized a first-ever meeting of all field and headquarters managers to review implementation of the strategy and set priorities. That global management meeting stressed the needs to focus and align corporate change efforts and involve UNOPS field offices in designing and implementing initiatives. The meeting recommended creating a 'change programme' to foster coordination and resourcing of priorities such as: corporate positioning for the future; establishment of a project management practice; preparation for the implementation of the International Public Sector Accounting Standards; management certification; and investing in people.

A. Financial perspective

3. UNOPS operations need a secure financial footing. UNOPS delivered $1.06 billion through project implementation in 2008 and spent $61.9 million administering it. The contribution to the operational reserve was $4.9 million, bringing it to $30.06 million. This followed extraordinary gains and losses, including $6.5 million in write-offs and bad debt provisions, predominantly from the pre-2006 period, such as the unresolved interfund balance with UNDP. (Figures provided in this report are best estimates at time of writing.)

4. UNOPS business acquisition rose to $1.5 billion, an increase of 3.32 per cent over the previous year and an all-time record demand for UNOPS services.

5. The new finance structure set up in 2007 at headquarters, regional offices and operational centres improved efficiency and effectiveness of financial monitoring and financial management.

6. The main financial initiatives implemented in 2008 include:

(a) A 'dashboard' of financial data that enables UNOPS to provide client reports in line with internationally accepted financial reporting standards;

(b) Further movement towards Atlas-based transaction processing to improve controls and ensure real-time reporting; UNOPS opened 44 Atlas bank accounts to replace manual imprest transactions;

(c) A revised cost-recovery policy;

(d) Introduction and preparation of 2009-2010 budgets using the results-based budgeting' process;

(e) Revised UNOPS Financial Regulations and Rules submitted to the Board for consideration (approved in 2009; see section C, below).

(f) A project team, following 'Prince2' methodology, to lead and implement the International Public Sector Accounting Standards in UNOPS.

B. Clients and stakeholders

7. Servicing United Nations organizations is a core purpose of UNOPS, and United Nations reform efforts continued to present opportunities for expanding that support.

Record business acquisition in 2008 demonstrated clients' rising confidence in the ability of UNOPS to contribute effectively to their operations and outcomes.

8. A satisfaction survey conducted in 2008 with clients and partners showed project management, procurement and human resources administration dominated client demand. Client satisfaction with most 'quality of service' indicators increased markedly between 2007 and 2008, and received the highest rating for its understanding of client needs. While the timeliness of financial reporting to clients improved, this area needs further attention.

9. In 2008 UNOPS signed three partnership agreements with great potential. A memorandum of understanding with the United Nations Secretariat simplifies the process whereby United Nations headquarters offices and departments, operations of the Division of Peacekeeping Operations (DPKO), and missions of the Department of Political Affairs in the field, obtain services from UNOPS. UNOPS joined the Financial and Administrative Framework Agreement, which covers United Nations implementation of projects, programmes and operations funded by the European Commission and increases administrative efficiency. UNOPS also acceded to the Financial Management Framework Agreement between the World Bank and the United Nations.

10. Annex 2 provides client and partner details for 2007 and 2008 project implementation expenditures. Despite a slight decrease in expenditures from UNDP core funds and trust funds administered by it in 2008, UNDP grew in importance as the most important partner of UNOPS, due to signing more management service agreements with governments on its behalf, . UNDP accounted for 47.5 per cent of total implementation expenditures with 7.3 per cent from core funds, 12.3 per cent from trust funds and 27.9 per cent from management services agreements. Most of these were with the government of Peru, accounting for 22.2 per cent of total implementation expenditures.

11. DPKO remained the second largest client; implementation expenditures increased nominally and its 14.9 per cent share was virtually unchanged from 2007. Joint work with the United Nations Children's Fund (UNICEF) decreased noticeably as the tsunami reconstruction work neared conclusion, and new partnership discussions commenced. While overall business with the World Bank declined significantly, primarily due to successful completion of major infrastructure projects in Afghanistan, a new, large-scale project in Afghanistan approved towards the end of the year and other promising leads make the Bank an important client.

12. Service delivery for governments increased, accounting for 20.6 per cent of implementation expenditures. This included funding from the World Bank, the European Union, the Global Fund to Fight AIDS, Tuberculosis and Malaria (GFATM), and governments directly. The most important government clients and partners in 2008 were the Governments of Afghanistan, India, and Sri Lanka.

13. Annex 3 provides details of 2008 project implementation expenditures. The leading sectors were conflict prevention and resolution, peace and security (23.0 per cent), health (18.0 per cent); government and civil society (13.0 per cent); humanitarian aid (11.4 per cent), general environmental protection (10.6 per cent) and transport and storage (9.9 per cent). The major sub-sectors were post-conflict peacebuilding (12.1 per cent); road transport (8.6 per cent); government administration (8.5 per cent); land mine clearance (7.9 per cent), medical services (7.8 per cent) and material relief assistance and services (7.6 per cent).

14. UNOPS operations centre directors and managers increased their participation in United Nations country teams and United Nations Development Assistance Framework (UNDAF) processes on the ground, contributing implementation experience guidelines and operational procedures. This helped increase satisfaction with UNOPS participation and contribution to United Nations country teams from 67 per cent of clients polled in 2007 to 74 per cent in 2008, and reduced dissatisfaction from 18 per cent in 2007 to 4 per cent. UNOPS regional offices participated in regional United Nations coordination efforts. This was facilitated for Africa by the relocation of the UNOPS regional office to Johannesburg.

Furthermore, UNOPS participated in the High-level Committee on Management and the United Nations Development Group (UNDG), focusing primarily on operational issues.

15. Corporate UNOPS communications, critical to successful client and stakeholder relations, improved significantly. A revised corporate logo now stresses the primacy of the 'UN' in UNOPS operations. During the year UNOPS launched a new corporate website and broadened its coverage to report on the organization in English, French and Spanish. UNOPS expanded its library of background documentation, offering some 200 low-cost fact sheets, most downloadable from the website. A simplified version of the 2007 annual report was prepared, also downloadable, to provide information without incurring printing and shipping costs.

C. Business processes

16. UNOPS worked to strengthen its global coherence and functional alignment, drive corporate consistency and performance standards, facilitate a collaborative high-performance culture, and enhance accountability and transparency. Policies and instructions issued in 2008 strengthened risk management, internal control and oversight, and UNOPS efforts to address unethical or fraudulent behaviour.

17. Pursuant to Executive Board decision 2008/35, the Executive Director reports directly to the Board and to the Secretary-General. Consequently the Secretary-General delegated to the Executive Director the authority to administer UNOPS human resources matters.

18. UNOPS improved its legislative framework and internal procedures aimed at increasing accountability and transparency of the organization. In its decision 2008/37, the Executive Board approved the UNOPS accountability framework and related oversight policies. These included creation of the independent Strategy and Audit Advisory Committee (which met four times during the year) and establishment of the internal audit charter, implemented by a fully-staffed and reinvigorated Internal Audit Office. A new internal control and risk management framework identifies the main types of risks faced by the organization and ways to mitigate them.

19. UNOPS introduced a revised policy on fraud to align with leading practices. A stricter financial declaration and disclosure policy extended its coverage to some 500 UNOPS personnel. Given its involvement in procurement and desire to pioneer in this area, UNOPS issued several new or strengthened directives on subjects such as 'zero tolerance' for gifts and favours from suppliers, anti-corruption provisions, a code of conduct for vendors, ethics in procurement, automatic recognition by UNOPS of suspensions issued by the United Nations Vendor Review Committee, an independent bid protests system, and post-employment restrictions for staff involved in procurement activities.

20. The UNOPS Ethics Officer received complaints from staff and requests for guidance on matters such as whistle-blower protection, conflict of interest, abuse of authority and harassment, acceptance of hospitality, and financial declaration and disclosure. The Ethics Officer operated the UNOPS ethics and fraud hotlines, and dealt with issues related to bid protests. Where a fraud allegation was made, the Ethics Officer, in accordance with agreed practice and the UNOPS zero-tolerance policy, referred cases to UNOPS General Counsel for examination and appropriate action.

21. UNOPS received an 'unqualified' audit in mid-2008 for the 2006-2007 biennium. This represented the first such positive assessment in the past eight years, reversing the trend of three consecutive 'qualified' biennial audit reports.

22. UNOPS collected and placed online for public review a wide variety of documents (such as budgets, financial statements and audit reports) under the recently-created 'Accountability' and 'Ethics' headings on the UNOPS website.

23. The UNOPS knowledge-sharing 'communities of practice' have yielded positive results, encouraging global, participatory ways of working and thereby strengthening practices. For example, they have improved corporate procurement planning by sharing with the entire organization forms and templates that were effective in an individual office.

24. UNOPS prepared revised Financial Regulations and Rules for consideration by the Executive Board, proposing changes for the first time since becoming independent in 1995. The revised Regulations and Rules clarify authority, roles and responsibilities and align practice with the IPSAS accounting which the United Nations system will adopt. The new Financial Regulations and Rules, approved by the Executive Board in its decision 2009/4, have entered into effect.

25. The new individual contractor agreement for non-staff personnel took effect on 1 January 2008. Its use has streamlined business processes, facilitated internal control and reduced administrative costs. A fourth-quarter review of the new contract and lessons learned led to further improvements, such as flexibility in fee-setting, clarification of procedures and limited leave for international contractors working at least three months.

26. UNOPS supported work on climate change – and its severe impact on vulnerable people in developing countries – through its expertise in sustainable procurement and infrastructure systems, tools, manuals and supplier catalogues, together with a network of resources to be phased in for use by clients.

27. As reported separately (DP/2008/21), 2008 was the first full year of Internal Audit Office (IAO) operation at UNOPS. (Previously, the UNDP Project Services Audit Section carried out audit and advisory services for UNOPS.) IAO issued its Internal Audit Charter and was fully staffed by early 2008. It increased internal audit coverage, improving the efficiency and effectiveness of internal oversight and allowing UNOPS to improve overall compliance and quality standards. The audit strategy extends coverage to UNOPS locations deemed high and medium risks, and conducts functional audits of key operational areas.

28. During the year, IAO completed and submitted to the UNOPS Executive Director 40 audits, an increase of 67 per cent over 2007. Of 17 audit reports assessing financial situations, 10 (59 per cent) had unqualified opinions and seven (41 per cent) had qualified opinions – another improvement over 2007. Of 31 audit reports that reviewed internal control compliance, 10 (32 per cent) were rated 'satisfactory', 20 (65 per cent) 'partially satisfactory' and one (3 per cent) 'unsatisfactory'.

29. The merger of UNOPS and UNDP/iAPSO, negotiated during 2007, took effect in January 2008. As a result, administration of the United Nations Global Marketplace website became a UNOPS responsibility. UNOPS also prepared the United Nations procurement report for the first time. UNOPS assumed management of the United Nations Web Buy online catalogue procurement system. A new search tool, created in 2008, allows customers to find the 'best value option' to meet their needs. The UNOPS emphasis on 'green procurement' led to environmental ratings for all vehicles in the catalogues.

D. People perspective

30. UNOPS invested significantly in its most important resource, its personnel. In response to the 2007 staff survey, special attention went to performance management, career development, succession management and talent management.

31. The human resources strategy focused on the UNOPS performance evaluation system. UNOPS created a framework aligning competencies with job descriptions and grade levels, and implemented the first phase of an online performance and results assessment. The organization also prepared a roundtable process where leaders discuss staff performance, potential and development, and a rebuttal process, both for implementation in 2009.

32. UNOPS invited all staff leaving the organization in 2008 to join its alumni network; nearly 90 people signed up. The objective is to improve services and information flow to this important group and encourage their return to UNOPS as appropriate. The network placed alumni groups on several business networking sites allowing users to post curricula vitae, thus facilitating UNOPS searches for potential job candidates. The alumni network should become a powerful job-advertising medium for UNOPS once the consultant roster is complete and operational.

33. Talent management improved with an exercise that harmonized UNOPS post classifications with those of other United Nations entities in order to address its historic high turnover rate. Following a review by independent consultants in the autumn of 2008, UNOPS proposed a comprehensive reclassification of professional staff, approved by the Executive Board in its decision 2009/5. Implementation will take place over time, as resources permit. Other initiatives – such as a skills-mapping exercise that will include an expert online site and database, and an exit interview questionnaire, furthered talent management at UNOPS.

34. UNOPS introduced six new corporate policies (addressing recruitment, appointment and selection of professional and higher categories of staff, appointment and selection of general service staff and national professional officers, the individual contractual agreement, staff rotation, and succession management) and six new administrative instructions (covering the compensation scheme for the individual contractual agreement, hospitality, gender, membership of the appointment and selection board and panel at headquarters, staff rotation, and post-employment restrictions).

35. UNOPS recruited 231 staff members – 76 for 100-series posts, 58 for 200-series posts and 97 for 300-series posts. During the year 216 people, or 22.4 per cent of those on 100-, 200-, and 300-series posts, left the organization. In 2007 the comparable figure was 209 people, or 23.5 per cent. At the end of 2008 the UNOPS workforce totalled 5,552 people, 4,601 of whom were individual contractors.

36. The results of the global staff survey revealed higher staff morale than in 2007. Questions about job satisfaction, motivation and whether UNOPS activities improve people's lives scored 80-90 per cent. More than half the staff felt transparency in corporate decision-making was improving. Throughout the year UNOPS addressed concerns and issues regarding work distribution, security and welfare of UNOPS personnel in the workplace, and communication between staff and supervisors.

37. In 2008 the UNOPS supported 43 training workshops in various subjects, gave all personnel access to mandatory courses, and offered training to selected personnel in project management, procurement, finance and the Atlas system (including external courses and certifications). Altogether 1,418 staff members and service contract holders undertook elective training. This included 54 staff who were externally certified in 'Prince2' project management, 155 staff trained in procurement, and 170 staff trained in Atlas. UNOPS arranged for external procurement certification to be conducted by the Chartered Institute of Purchasing and Supply in 2009; 37 staff members have already registered.

II. Operational results framework

A. Introduction

38. The present report is the second to include a results-based assessment of UNOPS contributions to the programme outcomes of its partners. UNOPS refined its information-gathering methods to create a more accurate database, and developed a tool to gather results systematically and consistently. Nevertheless, as the results-based management framework is still under development, UNOPS centred its operational results reporting on the output level. Since this is a work-in-progress, the data is indicative rather than comprehensive.

39. What follows includes selected data from 2007. Changes in the process of collecting information suggest that comparisons be treated with caution. It should also be noted that trends primarily reflect shifting client demand.

40. The unique role of UNOPS inherently affects any results-based assessment of its performance. As a provider of services to organizations and governments, in line with client wishes UNOPS can handle all aspects of project design and implementation or provide selected services. UNOPS contributes to programme outcomes in partnership with other entities, and since project ownership rests with clients, their own annual reports may elaborate results at the outcome level.

41. UNOPS contributions are organized under nine core sectors in support of peacebuilding, humanitarian assistance and development. The sectors were defined on the basis of the United Nations peacebuilding inventory, concluded in 2006, and the Millennium Development Goals. They were modified in 2008 to reflect operations better, and comprise education; emergency response and humanitarian relief; the environment; gender equality and the empowerment of women; governance; health; justice, security and public order; local economic development; and public works. The results below are not duplicated in other sectors.

B. General findings

42. The role of UNOPS as a service provider means that client priorities and needs dictate the scope, focus and location of UNOPS work. (The UNOPS portfolio is described generally, in terms of revenues and delivery, in paragraphs 10-13, above.)

43. As the lead United Nations entity for large-scale physical infrastructure projects in peacebuilding settings, UNOPS managed significant volumes of construction work in Iraq, Sudan and the Democratic Republic of the Congo in 2008. UNOPS also undertook substantial efforts in Indonesia and Sri Lanka, where long-term reconstruction continued following the 2004 tsunami.

44. Overall UNOPS supervised the construction or rehabilitation of 186 schools, 19 clinics, 15 hospitals, 31 police stations, 20 prisons/detention centres, and 14 government buildings. UNOPS constructed or rehabilitated 1,318 kilometres of paved and unpaved roads, more than 100 bridges and 3,205 kilometres of roadside drainage. In 2007, UNOPS supervised the construction or rehabilitation of more than 200 schools, 9 prisons/detention centres, 27 government buildings, 1,361 kilometres of roads and 60 bridges.

45. UNOPS helped clients deliver training to more than 2,000 teachers and instructors, 28,000 health personnel, and several thousand government officials. More than 45,000 people were trained in disaster preparedness. In Iraq, UNOPS supported electoral education activities that reached more than 200,000 people, and helped train more than 20,000 independent electoral observers.

46. UNOPS was active in procurement for other members of the United Nations family, international financial institutions and governments, in areas ranging from school books to vehicles. Globally, UNOPS was asked to procure health-related goods worth more than $170 million for clients, compared to more than $90 million in 2007. Procurement for education amounted to more than $9.5 million, compared to $34.5 million in 2007.

47. In the environment sector, UNOPS executed several large biodiversity and international waters programmes and administered more than 3,000 small-grants projects in 2008, delivering results in more than 100 countries, levels similar to those of 2007.

48. In the security sector, UNOPS supported UNMAS in its provision of direct support and assistance to 10 United Nations peacekeeping missions and technical advice to four.

C. Education

49. UNOPS helped governments and other partners to advance Millennium Development Goal 2, targeting primary education through building schools, training teachers and procuring educational equipment.

50. UNOPS managed the construction and rehabilitation of 186 schools. Of those, 88 were erected in Indonesia in Aceh and on Nais Island as part of a UNICEF programme to rebuild educational infrastructure following the 2004 tsunami. In Myanmar, 46 primary schools and six nursery schools were constructed. Much of that work was requested by UNDP and the Governments of Australia, New Zealand, Sweden and the United Kingdom. In the Democratic Republic of the Congo, UNOPS supervised the construction and rehabilitation of 20 primary schools funded by The World Bank, while in Sudan it managed

the construction of 13 schools and a teacher training facility for the Government of Sudan, funded by the United States Agency for International Development. In Sri Lanka, 11 schools were either constructed or rehabilitated on behalf of UNICEF; and in Peru, two secondary schools were rehabilitated for the Government.

51. UNOPS assisted clients by improving existing facilities, erecting perimeter fences, designing school extensions and managing the construction of school-related water and sanitation facilities. In Sri Lanka, for example, UNOPS helped the World Food Programme to construct 18 school kitchens and UNICEF to construct 23 water and sanitation facilities.

52. UNOPS helped clients train more than 2,000 teachers and instructors. In Myanmar, 1,737 educators received instruction in teaching vocational techniques as part of the 'Community Development in Remote Townships' programme, while in Iraq 171 decision-makers in government ministries learned how to design technical vocational training programmes.

53. Procurement for education amounted to $9.5 million. For UNICEF, UNOPS procured the printing and distribution of 18 million books for primary schools in Madagascar, while in Peru, at the request of the Government, 600,000 books were distributed to help battle illiteracy. In Argentina, around $5.1 million was spent on behalf of UNDP and the World Bank to procure education-related goods and services, such as computers, multimedia equipment and furniture, mainly for the secondary education sector.

Box 1. Building schools in the Democratic Republic of the Congo

Armed conflict, poverty and natural disasters have undermined efforts to deliver education in the provinces of North and South Kivu in the eastern part of the Democratic Republic of the Congo. To address this need, the World Bank provided the Congolese Office for Central Coordination with funds from its multisectoral programme for urgent rehabilitation and reconstruction.

That initiative built 18 schools and rehabilitated two others, providing educational opportunities to some 20,000 students living in war-affected areas. UNOPS, active in the Democratic Republic of the Congo since 1995, implemented the project.

UNOPS engineers applied international anti-seismic construction standards to the structural design to minimize risks to pupils in the earthquake-prone area. The buildings were equipped with 3,690 school desks, 4,000 seats, 200 teachers' desks and 200 racks and bookshelves, all manufactured in local workshops using local materials.

D. Emergency response and humanitarian relief

54. UNOPS offers humanitarian services in support of emergency relief and recovery following natural disasters or conflicts. UNOPS clients in 2008 included the United Nations Office for the Coordination of Humanitarian Affairs, UNDP, UNFPA, the Office of the United Nations High Commissioner for Refugees (UNHCR), UNICEF, the European Union and national governments. (Please note that many of the projects relating to reconstruction following the 2004 Indian Ocean tsunami in the present report are described elsewhere in the present report.)

55. As implementing partner for UNDP, UNOPS helped clients limit risk and prepare communities and governments for emergencies, providing disaster-preparedness training to more than 45,000 people – the majority of them in Bangladesh – as part of the Comprehensive Disaster Management Programme. In Nepal, UNOPS contracted 58 personnel for the newly opened regional office of the Earthquake Risk Reduction and Recovery Preparedness Programme for South Asia, on behalf of UNDP and the Government of Japan. In Afghanistan, UNOPS helped establish an emergency trust fund to develop the capacity of the Government to prepare for, and respond to, natural and environmental disasters.

56. UNOPS assisted delivery of emergency services and food. In Sri Lanka, UNOPS supervised the construction of warehouses for UNHCR and a logistics hub for the World Food Programme. On behalf of UNHCR, UNOPS supplied more than 4,000 families with shelter kits, mainly in the north of the country where fighting increased the number of

internally displaced persons (IDPs). UNOPS also helped UNHCR provide water and sanitation facilities to some 12,700 IDPs living with host families who lacked the facilities.

57. The UNOPS Switzerland Operations Centre provided administrative and managerial services to UNHCR and UNDP's Bureau for Crisis Prevention and Recovery (BCPR), supporting the organizations' global operations. Among the UNOPS-supported programs was BCPR's Global Risk Identification Programme that develops capacity of decision makers to assess and respond to risks, and is implemented with the cooperation of the International Red Cross-Red Crescent Societies, the World Bank, the Inter-American Development Bank and others.

Box 2. Comprehensive Disaster Management in Bangladesh

Low-lying, and densely populated, Bangladesh is one of the most disaster-prone countries in the world, at risk from devastating floods and cyclones that bring death, disease and huge economic losses.

In 2003, the Ministry of Food and Disaster Management launched a $26 million Comprehensive Disaster Management Programme in partnership with the Department for International Development of the United Kingdom, UNDP and, later, the European Commission. UNOPS contributes to the programme as implementing partner.

The programme is strengthening the disaster management system of Bangladesh, helping it reduce unacceptable risks and improve recovery activities. It supports policy and planning reforms, shifting the focus of disaster management from response to risk reduction.

Since commencing field operations in 2006, the Comprehensive Disaster Management Programme has supervised hundreds of local community risk assessment and risk reduction plans, affecting 20 million people. It has launched 10 research projects designed to analyse the effects of climate change, and has established information databases to facilitate easy access to risk and prediction information relevant to riverbank erosion, earthquake, tsunami/storm surge and flood impact.

The Programme has conducted numerous advocacy and media exercises and provided training to more than 30,000 disaster management committee members serving 70 million people. An additional 10,000 public sector employees are being trained in relevant aspects of disaster management each year.

E. Environment

58. The trans-boundary nature of environmental issues necessitates coordinated international action. Working for clients such as the Global Environment Facility (GEF), UNDP, the United Nations Environment Programme (UNEP), the World Bank, and national governments, UNOPS supports projects that reverse environmental damage, raise awareness and improve resource management. In so doing UNOPS contributes to the achievement of Millennium Development Goal 7, which seeks to ensure environmental sustainability.

59. On behalf of GEF and UNDP, UNOPS facilitated international cooperation to prevent and reverse environmental degradation of international waters. The UNOPS 'international waters cluster' portfolio contains 21 medium- to full-sized projects dealing with such diverse water bodies as the Dnipro River, the Caspian Sea, Lake Chad, Lake Tanganyika, the Yellow Sea; the large marine ecosystems of the Caribbean Sea and the Benguela Current, and the groundwater resources of the Limpopo Basin. The largest single programme is the $120 million Nile Basin Initiative.

60. UNOPS served as executing agency for the GEF-UNDP Small Grants Programme, which addresses global environmental issues while contributing to the needs of local populations, and promotes institutional and policy reform in GEF programme countries. UNOPS provided administrative and financial management to more than 3,000 small grants projects in more than 100 countries. The grants financed community-based environment initiatives, including 2,050 grants aimed at conserving biodiversity, 570 directed at climate change and 150 at protecting international waters.

Box 3. Protecting ecosystems in the Western Indian Ocean

The Western Indian Ocean is home to diverse sea and plant life, including endangered sea turtles and sharks. Coastal and oceanic ecosystems are vital to the well-being and livelihoods of local communities: fishing grounds provide food and sustainable incomes, and mangroves help manage flooding, prevent coastal erosion and purify water. The natural beauty of the coastline attracts tourists from around the world.

The damage caused by urbanization, industry, agriculture, commercial fishing and other socio-economic activities is of grave concern. Pollution damages human health and degrades water quality. Rapid coastal development destroys mangrove forests, sea-grass beds and coral reefs, reducing fish stocks and biodiversity.

Preserving the natural beauty, goods and services associated with these coastal and marine resources requires careful and coordinated management. Unfortunately, competing economic priorities, the difficulties of trans-boundary governance and sometimes insufficient government capacity complicate the situation.

UNEP launched the 'Western Indian Ocean – Land-based Activities' project in July 2004 to address these complex challenges. The project is funded jointly by GEF the Government of Norway, UNEP, and participating governments in the region: the Comoros, Kenya, Madagascar, Mauritius, Mozambique, the Seychelles, South Africa and Tanzania. Implemented by UNEP and executed by the Nairobi Convention Secretariat and UNOPS, the project helps participating governments and institutions develop capacity and regulatory frameworks to manage ecosystems effectively.

F. Gender

61. The commitment of the international community to gender equality and the empowerment of women are enshrined in Millennium Development Goal 3. Because UNOPS clients frequently target gender issues in their work, projects containing gender objectives and components will be found throughout the present report.

62. UNOPS helped clients organize vocational training aimed at women, with more than 3,800 participants. In Myanmar, more than 2,900 women increased their skills in training organized by UNOPS on behalf of UNDP and funded by the Governments of Australia, New Zealand, Sweden and the United Kingdom. At the request of UNESCO, UNOPS helped local women trainers in the Arab region learn how to promote human rights.

63. UNOPS helped support women's livelihoods in both rural and urban areas, administering micro-credit schemes directed at women in countries including El Salvador, Guatemala, Iraq and Senegal.

64. Since 2004, UNOPS has assisted the rehabilitation and reconstruction of the Women's Dormitory Building of the University of Kabul in support of the Government of Afghanistan and UNESCO, a project funded by USAID. After the completion of major renovation work UNOPS was asked to help manage the dormitory, a contract extended through the end of 2008. In 2008 the number of women residents increased from slightly more than 600 to 756.

Box 4. Small grants make a big difference for women in Senegal

In the region of Sédhiou, in the fertile Casamance area near the southern border with Guinea-Bissau, Italian micro-grants are helping women improve their quality of life.

In 2006 the development arm of the Italian Foreign Ministry (Cooperazione Italiana allo Sviluppo) and the Ministry of Agriculture, Rural Water and Food Security of Senegal joined forces to create a local development fund – Fonds de développement local dans le Département de Sédhiou. The Government asked UNOPS to administer the fund and provide quality control.

With some $3 million from the Government of Italy, the three-year effort is combating poverty by improving agricultural production and commercialization, encouraging the sustainable use of natural resources, and promoting access to basic services such as education, water, and health care.

A primary goal has been to address the needs of women. In several communities, the fund has built and equipped multi-purpose centres to train women as artisans and

promote social awareness. Since spring of 2008, micro-grants have been used to fence off and irrigate communal gardens for village women to farm cash crops. Each market garden typically involves up to 150 women, each of whom gets a share of furrows in which to grow carrots, haricot beans, lettuce, onions, and cabbages to supplement their household incomes.

G. Governance

65. Working for national governments, United Nations organizations and funding mechanisms such as the UNDG Trust Fund in Iraq, UNOPS assisted governance projects by constructing government buildings, procuring goods, training government staff and conducting census- and election-related activities.

66. UNOPS erected nine government buildings and rehabilitated five. In Liberia it constructed five county administrative buildings on behalf of UNDP, with support from the Governments of Liberia and Sweden, to re-establish central government authority and operational capacity in the country. In Sudan three buildings were completed for the Ministry of Agriculture and Animal Resources on behalf of the Food and Agriculture Organization. In Afghanistan, on behalf of the World Bank, UNOPS supervised the construction of a building for the Customs Department. UNOPS also supervised rehabilitation of administration buildings in Liberia, Pakistan and Peru.

67. UNOPS helped train more than 1,500 government personnel in such fields as logistics, public administration, management, public expenditure and accountability, and anti-corruption measures.

68. UNOPS procured goods for government administration worth more than $3.8 million. In Haiti, it obtained 28 vehicles for the Ministry of Planning and External Cooperation, and in Liberia, 17 vehicles went to the Ministry of Finance to allow implementation of activities in the field. In Argentina, UNOPS procured computing equipment for the National Scientific and Technical Research Council and the Ministry of the Interior.

Box 5. Iraq elections

In January 2009, Iraqis went to the polls for provincial elections, an event marked by more registered voters than in the previous elections, a 51 per cent turnout, and a low rate of invalid ballots. Throughout 2008 UNOPS had assisted the democratic transition by providing support to the Independent High Electoral Commission of Iraq (IHEC).

The UNDG Iraq Trust Fund asked UNOPS to implement the electoral education campaign with support from the United Nations Assistance Mission for Iraq. The campaign raised awareness about the electoral process, critical in a country rebuilding its political institutions after years of violent conflict.

In 2008 the Campaign gave financial and technical support to 75 Iraqi Civil Society Organizations and grass-roots electoral education activities that reached more than 200,000 citizens across the country, with a special focus on women, minorities, disabled people, first-time voters and internally displaced people.

In the run-up to Election Day the campaign organized 100 'opinion leaders sessions' across the country, involving political entities, tribal and religious leaders, local civil servants and academics, as well as leaders of youth and women associations, in informing communities about the importance of elections.

In parallel to the voter education project, UNOPS continued its support to the institutional development of the Independent High Electoral Commission, set up a country-wide communications network for the Commission headquarters and its 19 sub-offices at the governorate level, and provided assistance to domestic electoral observer groups, who trained and mobilized more than 45,000 observers by Election Day.

H. Health

69. UNOPS clients in the health sector in 2008 included UNDP, UNFPA, national governments, and the 'Three Diseases Fund', a consortium of donors (see box 6).

70. In support of Millennium Development Goals 4 and 5, which target reduced child mortality and improved maternal health, respectively, UNOPS supervised the rehabilitation of 24 maternity wards: 21 in major Iraqi hospitals, at the request of UNFPA; two in Haiti, on behalf of UNICEF; and one in Liberia, funded by the Japanese Government. Ten 'sick newborn care units' were planned and designed in India as part of the UNOPS-supported Norway India Partnership Initiative.

71. In health procurement, UNOPS supplied more than $28 million worth of essential drugs. It delivered drugs, diagnostic kits and goods worth more than $71.5 million to health programmes in India, with funding from the World Bank, GFATM, and the Governments of India and the United Kingdom. It supplied the Government of India with 30 million diagnostic kits for HIV, hepatitis C virus and hepatitis, and more than 12 million diagnostic kits for malaria. It also obtained more than 140 million doses of HIV/AIDS drugs, 26 million doses of tuberculosis immunization and 159 million doses of other essential drugs.

72. Globally, UNOPS procured 360 ambulances and medical vehicles for clients during the year. Of those, 85 were for the Government of Peru, 25 for the Government of Argentina and the remaining 250 for India, as part of the health sector programme.

73. UNOPS supervised the construction or rehabilitation of 19 health clinics and 15 hospitals. In Myanmar, at the request of UNDP and with funding also from the Governments of Australia, New Zealand, Sweden and the United Kingdom, nine clinics were constructed, serving 2,655 households, and four were rehabilitated, benefiting another 719 households. In Sri Lanka, five hospitals were constructed or rehabilitated, four on behalf of UNICEF and one for UNFPA.

74. UNOPS helped organize the training of more than 28,000 health personnel worldwide. In Myanmar, thousands of health personnel were trained in tuberculosis management and malaria control, while more than 140 laboratory technicians were trained in sputum microscopy. In Iraq, eight Ministry of Health officials received training in emergency health care, while workshops on trauma therapy were held for 42 social workers and health professionals. In India, 83 child health managers were trained as part of the Norway India Partnership Initiative.

Box 6. The Three Diseases Fund in Myanmar

The Three Diseases Fund is a pooled resource of some $100 million for use over five years. It was established in October 2006 by six donors – Australia, the European Commission, the Netherlands, Norway, Sweden and the United Kingdom – to help reduce the human suffering caused by tuberculosis, malaria and HIV/AIDS in Myanmar. UNOPS manages the fund on behalf of the donor consortium and in an agreement with the Ministry of Health.

In just over two years, the fund has disbursed $42 million to 23 implementing partners, making it the biggest single contributor to the fight against those three diseases in Myanmar. It achieved broad geographic coverage, reaching remote communities through diverse independent organizations, including international non-governmental organizations and their local partners, as well as five United Nations organizations: WHO, UNAIDS, and UNFPA received grants to support general disease control by the Ministry of Health, while the United Nations Office on Drugs and Crime (UNODC) and the Internal Organization for Migration received funds for specific projects.

Myanmar has an estimated 240,000 HIV cases, 75,000 of which require antiretroviral treatment. In 2008 the fund helped provide treatment to some 6,600 patients – 40 per cent of the HIV-positive population on antiretroviral treatment. The fund made possible in-country distribution of first-line tuberculosis drugs to all 325 townships, in addition to supporting the prevention, care and treatment of HIV and AIDS in 143 high-priority townships. In 134 high-priority townships, the fund assisted in the

prevention, care and treatment of malaria, including financing the purchase of some 80,000 long-lasting impregnated bed nets and insecticide treatment for an additional 400,000 bed nets.

I. Justice, security and public order

75. UNOPS supported the justice and reconciliation efforts of national governments and international entities including DPKO, the European Union, UNDP and UNODC. UNOPS contributed the design, construction and rehabilitation of related infrastructure, as well as training and capacity development.

76. UNOPS supervised the construction or rehabilitation of 20 prisons/detention centres, 31 police stations and two courthouses. In Kosovo, 17 holding-cell facilities, funded by the Government of Italy, were built in police stations, in compliance with international human rights standards. In Afghanistan, at the request of UNODC, UNOPS supervised the design of a women's detention facility. Police stations were rehabilitated – 14 in Haiti, 11 in Guatemala and two in Sudan – all on behalf of UNDP. Four police stations were built in Liberia, for UNHCR.

Box 7. Creating an effective Palestinian police service

The European Union Police Coordination Office for Palestinian Police is assisting with the creation of a transparent, accountable and effective Palestinian police service, with the various parts of its reform plan funded by different European and non-European governments.

UNOPS is assisting the Police Coordination Office with strategic planning, project development and management advice, construction management, technical engineering and design advice, international procurement, fund management and cash disbursement services.

UNOPS is involved in seven major projects and 27 procurement processes to develop the capacity of the 6,000-strong Palestinian Police Service. These include the construction and refurbishment of the police training facility in Jericho, funded by a consortium of donors, and the construction of the new Jericho Prison, financed by the Government of the Netherlands.

UNOPS is erecting three radio communications towers in the West Bank, funded by the Government of Canada and the European Commission, and upgrading the Palestinian Civil Police vehicle fleet, funded by the Governments of the Netherlands, Norway and the European Commission.

UNOPS has helped establish a training fund to support more than 50 training courses in areas such as criminal investigation, traffic management, Italian language skills for tourist police, and family protection.

77. UNOPS helped UNODC train more than 1,100 government personnel in transitional justice principles. In Iraq 54, high-ranking government officials attended workshops where they discussed and modified transitional justice policies. In Sudan, Jordan and Cape Verde, 50 government officials studied anti-corruption strategies. For UNODC, UNOPS organized training sessions on issues including human trafficking, anti-corruption, anti-terrorism and global drug and crime prevention.

78. UNOPS helped its partners, including UNDP and the European Union, to hire more than 30 international experts in the fields of justice, security and public order. Those experts served in Bangladesh, Côte d'Ivoire, Iraq, and other countries.

79. On behalf of UNDP, and funded by the European Commission, UNOPS supported two centres in Iraq that assisted more than 600 torture victims. In Kosovo, UNOPS helped the United Nations Mission in Kosovo to collect more than 40,000 property claims and resolve nearly 19,000. UNOPS was involved in training 10 judges in Kosovo.

80. UNOPS helped UNMAS and UNDP respond to the problems of landmines and explosive remnants of war. UNOPS services included recruiting, procurement, and contracting commercial and national organizations, technical and operational support, and financial and legal services.

81. UNOPS supported UNMAS activities that provided direct assistance to 10 United Nations peacekeeping missions, and technical advice to four more. In Afghanistan UNMAS cleared more than 81,000 anti-personnel mines, while in the Democratic Republic of the Congo a total of 18,800 hectares of land were returned to communities for normal use. In Eritrea and Ethiopia more than 3,800 kilometres of roads were cleared or verified to be clear of mines, while 7,020 kilometres of roads were opened in Sudan.

Box 8. Cyprus Mine Action Centre

Following a de facto ceasefire during the 1970s conflict in Cyprus, a buffer zone covering approximately 3 per cent of the island was established between the areas controlled by the opposing forces. Both parties laid defensive minefields within and outside the zone.

After an assessment by UNMAS in 2002, the Canadian and Slovenian Governments and the European Union funded the establishment of the Cyprus Mine Action Centre. The project, which commenced in 2004 to clear landmines from the buffer zone, is a model of inter-agency coordination implemented by UNDP with execution by UNOPS, technical oversight by UNMAS, and support from the United Nations Peacekeeping Force in Cyprus.

By the end of 2008, 53 minefields holding more than 10,000 landmines had been cleared and 6,500 hectares of land released. As a result of this clearance, an area separating the two sides for more than 45 years was opened to the public.

By eliminating physical barriers dividing the two sides – a confidence-building measure that promotes further bi-community initiatives – the project has not only contributed significantly to the humanitarian and development dimensions in Cyprus but also to progress in resolving its political impasse.

The programme has received further funding, totalling five million Euros, from the Government of Cyprus and the European Union to cover activities for 2009-2010, aiming to clear the remaining minefields in the buffer zone by the end of 2010.

J. Local economic development

82. In promoting the environment, infrastructure, services and skills needed for development, most UNOPS-supported projects help reduce poverty and improve standards of living, thereby contributing to the eradication of extreme poverty targeted by Millennium Development Goal 1.

83. In 2008 UNOPS helped clients build skills and generate local employment, mainly in road building and maintenance. Projects in Sri Lanka generated 318,000 labour days in the construction sector, while in Iraq more than 40,000 days of work went into the rehabilitation of social and economic infrastructure such as parks, gardens and schools. Construction projects in Afghanistan and Somalia also emphasized local employment-generation and development of skills.

84. UNOPS helped its clients boost agricultural livelihoods in rural areas. In Burkina Faso, UNOPS supervised the training of 250 farmers for UNDP and the Government of Italy and supported the training of Kenyan coffee growers on behalf of the Common Fund for Commodities. In the Democratic Republic of the Congo, training and the distribution of seeds, trees and small livestock have assisted 1,740 families.

85. In support of clients UNOPS promoted training for both small and medium-sized enterprises and micro and small-sized enterprises. In Iraq, 60 local members of non-governmental and business organizations learned how to teach business management skills in the field in training sessions organized by UNOPS on behalf of the United Nations Iraq Trust Fund. UNOPS managed microcredit schemes and participated in and/or organized more than 60 local economic mapping and survey exercises.

86. UNOPS provided the International Fund for Agricultural Development with fund management services, which included assisting project planning and negotiation; monitoring and reporting; approving or reviewing disbursements; supervising project implementation; training project personnel on administering funds; and providing technical advice and recommendations to national implementing bodies.

Box 9. Transforming lives in Peru

With Government concurrence, UNODC and UNOPS studied the socio-economic aspects of illicit coca cultivation. This revealed that most coca farmers were willing to grow legal, sustainable crops, but could not make a living raising alternative crops, which could not be processed or reach main markets from their isolated areas.

UNODC and UNOPS launched palm-oil production effort in the community of Neshuya, 100 kilometres north-east of Aguaytia in central Peru. This led to the construction of a processing plant operated by a cooperative enterprise called Oleaginosas Amazónica S.A. This environment-friendly facility, efficiently powered by burning palm refuse as fuel, processes 12 metric tons of palm fruit per hour.

The farmers who switched from growing coca to tending palm trees have improved their incomes a dramatic ten-fold. Palm oil activities in UNODC-UNOPS alternative development projects in Peru have changed the lives of more than 2,000 families, and there is a long waiting list of farmers hoping to join one of the cooperatives.

K. Public works

87. In 2008, UNOPS supervised the construction or rehabilitation of 1,318 kilometres of paved and unpaved roads and 3,205 kilometres of roadside drainage. Much of this work took place in the Democratic Republic of the Congo, supported by the European Commission and the Governments of the Netherlands, New Zealand, Sweden and the United Kingdom, among others. In Peru, working with UNDP for the Ministry of Housing, UNOPS-supervised road construction was part of the 'la calle de mi barrio' programme, an initiative that uses roads and other low-cost infrastructure developments to improve the quality of life in low-income neighbourhoods. In Sri Lanka, 110 kilometres of new, paved roads gave communities better access to basic services and markets. UNOPS also oversaw significant road construction in Afghanistan and Sudan.

88. Worldwide, UNOPS supervised the construction or rehabilitation of 105 bridges, the majority of them in Myanmar on behalf of UNDP, funded by the Governments of Australia, New Zealand, Sweden and the United Kingdom.

89. Globally, UNOPS rehabilitated 56 water networks, ranging from large-scale systems for towns to rural pipelines. In Iraq, 185,000 people gained improved access to better water as a result of nine projects that laid pipe mains and connected them to households. The reliability of water supply to approximately two million Iraqis in the Russafa area of Baghdad was improved with the construction of a power substation at the Sharq Dijla water-treatment plant, on behalf of UNICEF. In Peru, UNOPS supervised construction of a water treatment plant serving 15,000 people, while in Myanmar 71,200 people gained access to clean water through many small-scale interventions, including the drilling of 195 wells.

90. UNOPS helped develop the capacity of local populations to construct and maintain infrastructure. In Afghanistan, more than 500 people learned how to build roads in a programme funded by the World Bank. In Iraq, on behalf of UNDP and UNICEF, UNOPS trained some 50 people in designing, managing and maintaining power and water networks.